



# Appropriations Update

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## COMMERCE, JUSTICE, STATE APPROPRIATIONS BILL FOR FISCAL YEAR 2004 – H.R. 2799

### SUMMARY

The Commerce, Justice, State appropriations bill reported to the House on 21 July 2003 (HR 2799; H.Rept. 108-221) provides new budget authority equal to the 302(b) suballocation for the Appropriations Subcommittee on

Commerce, Justice, State and Related Agencies. The bill is consistent with the House budget resolution for fiscal year 2004 (H.Con.Res.95), and also complies with the requirements of the Congressional Budget Act.

### COST OF THE LEGISLATION

H.R. 2799 provides \$37.914 billion in new budget authority [BA] and \$40.989 billion in outlays for 2004 – a reduction of \$1.287 billion in BA and an increase of \$500 million in outlays from fiscal year 2003 (see Table 1 below). The BA reduction is overstated, however, because the cost estimate of the bill includes mandatory savings that are not included in the 2003 figures (see further discussion below). The increase in outlays, despite a reduction in BA, results from BA enacted in prior years. Although budget authority in the bill declines by 3.3 percent from the previous year, it is \$241 billion above the President's request.

As a result of the creation of the Homeland Security Department and a reorganization of subcommittee

responsibilities, some agencies that were once a part of this bill (such as the Immigration and Naturalization Service) now are funded in the Homeland Security appropriations bill. These changes make it difficult to provide the comparison of average annual growth rate for 2000-04 that has been provided in other *Appropriations Updates*.

The bill contains \$1.125 billion in BA savings, including \$1.095 billion in BA and \$383 million in outlays from mandatory spending changes; and \$30 million in rescissions of previously enacted BA, with \$8 million in related outlays.

The bill does not contain emergency-designated new BA or advance appropriations.

**Table 1: Commerce, Justice, State Appropriations Bill**  
(fiscal years; millions of dollars)

	2003 Spending <sup>a</sup>	Administration 2004	302 (b) for 2004	Bill
Budget Authority	39,201	37,673	37,914	37,914
Outlays	40,489	41,772	41,009	40,989
<sup>a</sup> Does not include \$923 million in BA and \$264 million in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).				

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This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of all the committee's members.

## COMPLIANCE WITH THE BUDGET RESOLUTION

The bill complies with sections 302(f) and 311(a) of the Budget Act. The first of these prohibits consideration of bills in excess of a subcommittee's 302(b) allocation for new budget authority. The second, section 311(a), prohibits consideration of legislation exceeding the aggregate levels of budget authority and outlays established in the concurrent resolution on the budget.

The \$37.914 billion in new discretionary budget authority is the same as the 302(b) allocation to the House Appropriations Subcommittee on Commerce, Justice, State; outlays are \$20 million below the allocation. Because no appropriations bills for fiscal year 2004 have been enacted, there is ample room under the BA ceiling and hence the bill would not violate section 311(a).

**Table 2: Discretionary Spending in the Commerce, Justice, State Appropriations Bill**  
(in millions of dollars)

	2003 Budget Authority <sup>a</sup>	2003 Outlays <sup>a</sup>	2004 Budget Authority	2004 Outlays	Difference BA	Difference Outlays
Department of Justice .....	20,100	21,166	18,814	21,632	-1,286	466
<i>Federal Bureau of Investigation</i> .....	4,216	4,028	4,640	4,684	424	656
<i>Federal Prison System</i> .....	4,444	4,680	4,667	5,002	223	322
<i>Office of Justice Programs</i> .....	4,484	4,911	2,318	4,275	-2,166	-636
<i>Legal Activities and US Marshals</i> .....	2,877	3,090	2,900	2,931	23	-159
<i>Drug Enforcement Agency</i> .....	1,551	1,497	1,601	1,584	50	87
<i>Other Department of Justice</i> .....	2,528	2,960	2,688	3,156	160	196
Department of Commerce .....	5,581	5,642	5,103	5,502	-478	-140
Department of State .....	7,207	7,447	7,722	7,503	515	56
Judiciary .....	4,582	4,584	4,881	4,873	299	289
Other .....	1,731	1,650	1,394	1,479	-337	-171
<b>Total .....</b>	<b>39,201</b>	<b>40,489</b>	<b>37,914</b>	<b>40,989</b>	<b>-1,287</b>	<b>500</b>

<sup>a</sup> Does not include \$923 million in BA and \$264 million in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

## DISCUSSION

As noted, the bill is \$1.287 billion below 2003 spending (see Table 2 above).

Spending for the Department of Justice declines by a net of \$1.286 billion from 2003. A year-over-over decline in Office of Justice Programs (\$2.166 billion) is partly offset by increases in the Federal Bureau of Investigation (\$424 million), the Federal Prison System (\$223 million), Legal Activities and U.S. Marshals (\$23 million), the Drug Enforcement Agency (\$50 million), and other activities (\$160 million).

Among specific programmatic changes in the Justice Department, there are savings from: a limitation on spending from the Crime Victims' Fund mandatory program (\$1.095

billion); justice assistance (\$977 million); community oriented policing services (\$246 million); State and local law enforcement assistance (\$26 million); and other activities (\$11 million). These savings are partly offset by an increase in juvenile justice programs (\$189 million).

Compared to 2003, spending for the Department of Commerce declines by \$478 million, while spending for the Department of State and the Judiciary increase.

Finally, other spending declines by \$337 million, due largely to an increase in receipts for the Securities and Exchange Commission [SEC] (\$402 million), which are partly offset by an increase for the Broadcasting Board of Governors (\$59 million).

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The bill provides a net of \$241 million in BA more than the President’s request. This results largely from an increase, compared with the President’s request, of \$1.108 billion in the Department of Justice – principally due to an increase in Office of Justice Programs of \$1.131 billion. This is offset

by reductions from the request in the Departments of Commerce (\$235 million) and State (\$223 million), the Judiciary (\$234 million), and other activities (\$175 million, largely due to reductions of \$103 million in the SEC, and \$54 million in the Small Business Administration.)

**OFFSETS**

*Changes in Mandatory Programs.* The bill contains a change in one mandatory program – a program not subject to annual appropriations – that generates savings to offset discretionary spending.

The bill sets a spending limitation in the Crime Victims’ Fund, capping the payout for this mandatory spending program at less than its level under existing law. The spending limitation generates \$1.095 billion in BA savings, and \$383 million in outlay savings. This offset has been

included in prior years; it was included this year in the President’s request. Because of longstanding accounting conventions, however, it is not reflected in the fiscal year 2003 figures cited here.

*Rescissions.* The bill rescinds \$30 million worth of previously enacted BA in the Department of Justice’s Office of Justice Programs. Outlay savings are \$6 million. In addition, the bill includes \$2 million in outlay savings for the Federal Communications Commission.